

Fourth Quarter 2024 Investor Letter

February 4, 2025

Dear Investor:

During the Fourth Quarter, Third Point returned 9.1% in the flagship Offshore Fund. For the year 2024, Third Point returned 24.2% in the flagship Offshore Fund.

	Q4 ¹	ANNUALIZED NET RETURN ²
TP OFFSHORE FUND, LTD.	9.1%	13.3%
CS HF EVENT-DRIVEN INDEX	5.4%	7.0%
S&P 500 INDEX (TR)	2.4%	9.6%
MSCI WORLD INDEX (TR)	-0.1%	7.9%

¹ Through December 31, 2024.

² Annualized Return from inception (December 1996 for TP Offshore and quoted indices).

PLEASE SEE THE NEW SERIES RETURNS AT THE END OF THIS DOCUMENT.

The top five winners for the quarter were Siemens Energy AG, Amazon.com Inc., Tesla Inc., LPL Financial Holdings Inc., and Apollo Global Management Inc. The top five losers for the quarter, excluding hedges, were Danaher Corp., Glencore PLC, Ferguson Enterprises Inc., Intercontinental Exchange Inc., and a short position.

Third Point's flagship Offshore Fund generated net returns of 9.1% in the fourth quarter, and 24.2% for the full year¹. These returns were driven by positive results across all strategies – equities, corporate and structured credit, and privates. Throughout the year, we

¹ This letter includes discussions of certain portfolio investments. These discussions are intended to provide information concerning such investments and to illustrate Third Point's investment analyses, but they are not necessarily representative of Third Point investments generally or of the overall performance of funds managed by Third Point. Please see page 1 of this letter for overall performance of funds managed by Third Point implementing the flagship strategy for the most recent quarter and since inception.

highlighted our diversified portfolio of equity investments, some with event-driven catalysts, others with quality characteristics, and several idiosyncratic themes that differentiated our return makeup from the S&P. As market returns broadened during the second half of the year, we believe we were well positioned to take advantage. In our view, successful portfolio rotation into consumer discretionary, financials and industrial names helped us capture the upside of the post-election rally we predicted in our Q3 letter. This positioning drove our Q4 equity RoA to 10.7% gross (10.1% net), outperforming the S&P 500's +2.4% and MSCI World's -0.1%.

Outlook

Since the November election, we have observed economics and policy becoming increasingly intertwined. Although business leaders are generally optimistic about economic growth and reduced bureaucracy and regulation, uncertainty around certain policies and strategies remains. In our view, it has never been more important to employ second-order thinking about news headlines in general, and certain policy declarations in particular. In the past week, DeepSeek, the Chinese LLM application, caused a panic in technology markets, calling into question everything from the future demand for Nvidia chips to power demand for data centers. Initial reports that the app was built on open-source data on antiquated chips by moonlighting hedge fund quants were subsequently debunked. This is not to say that DeepSeek is not a stunning breakthrough, but we believe the initial reaction seems to have been overdone. We believe there are many companies such as Meta and others that will likely benefit from the technology. Similarly, as we saw, the Administration's recently announced tariffs against Mexico, Canada, and China will be less impactful than the headlines currently implied; we see more modest tariffs, implemented by the Treasury and Commerce departments, early this spring.

Overall, we expect the environment for investing in equities to continue to be favorable, with the caveat that there will likely be periodic dislocations caused by the unconventional approach of this Administration in conveying and enacting policy that affects markets and the economy. In this environment, we believe an unemotional response, independent of one's political views, is critical to making good investment decisions. We remain optimistic

about the sectors that will benefit from certain of these policies, as well as an increase in M&A and other corporate activity which feeds our event-driven framework.

New Equity Positions

Brookfield Corp.

Last summer we initiated a position in Brookfield Corp. Brookfield is one of the largest global alternative asset managers with over \$500 billion in fee-earning AUM. We believe Brookfield is uniquely positioned to be a beneficiary of the secular growth tailwinds around infrastructure, where it is the preeminent global franchise, and private credit, where it is a top player with \$250 billion in fee-earning credit assets. These are two of the fastest growing asset classes within alternatives.

We believe infrastructure is poised to benefit from the dual tailwinds of the enormous global funding gap in traditional infrastructure – estimated at \$100 trillion of required investment through 2040 – and significant new demand for digital infrastructure to support data and compute needs. Brookfield has a long track record of first quartile returns within its global infrastructure business and a 100+ year history as an owner-operator of real assets that predates its asset management franchise. In 2022, it raised its offshoot Global Transition fund at in our view an impressive \$13 billion first vintage, and in 2023, it closed on the largest infrastructure drawdown fund ever raised at \$28 billion.

In private credit, Brookfield has combined Oaktree, which it acquired in 2019, its unique debt origination capabilities in infrastructure and real estate, and a large and growing insurance franchise that is writing almost \$20 billion of new business annually. This combination of an origination and investing platform with a stable base of insurance demand we believe positions Brookfield to benefit from the step-function growth we are observing across private credit.

Despite its evident scale, strong growth, and continued tailwinds around asset accumulation, we believe Brookfield is an under-appreciated and under-covered equity story. The stock

trades at ~13x next year's earnings – more comparable to the valuation of share-losing traditional asset managers than scale alternative peers at 20-30x. We believe the catalysts for a re-rating are in place. Management has started to simplify the equity story and improve its communication with investors. We believe Brookfield is a business that has both a re-rating opportunity and strong earnings compounding in the underlying asset.

Live Nation Entertainment

During Q2, we made an investment in Live Nation Entertainment (LYV), the leading integrated global concert company. Having studied the business model and management's accomplishments for many years, we saw, in our view, an attractive entry point after the shares dislocated on news of an antitrust lawsuit from the Department of Justice (DoJ). We believe LYV is set to compound earnings at a double-digit rate through the next decade driven by strong demand for concerts, robust pricing power, and a sizeable opportunity to reinvest in owned and operated venues.

Live Nation participates in all major parts of the concert value chain (promotion, venue management, ticketing, and sponsorship). Concerts are a \$35 billion global industry that has compounded revenue at ~8% per annum since 2000, driven by consistent tailwinds in both supply and demand. Artists are eager to tour because live performances drive most of their income and the rise of social media and streaming music has allowed artists to quickly build a larger, global fanbase. The number of artists selling 250k+ tickets per tour has risen by almost 50% since 2019. While Live Nation has long benefited from these trends, we believe the growth in international demand has created a particularly compelling opportunity in venue construction that the company is just beginning to capitalize on. There is a global undersupply of concert venues; even large music markets such as South Korea and Western Europe have only a third of the seating capacity per capita of the US. We believe Live Nation, as a well-capitalized operator with incredible data on market-by-market trends and multiple monetization vectors, is uniquely positioned to invest in increasing capacity at ~20%+ IRRs. The company is spending over \$2 billion on this initiative over the next five years, and we believe the returns are underappreciated by the market.

In May, Live Nation was sued by the DOJ for “unlawful, monopolistic conduct” resulting from the 2010 Ticketmaster merger. The government demanded a divestiture of Ticketmaster, stating that the merger has driven higher prices for fans and “fewer real choices” for venue ticketing services. It is not clear to us why separating these two businesses would drive lower prices for consumers, better outcomes for artists, or better service for venues. It is the artist who decides the face value of the ticket, while service fees are set by and largely benefit the venues. Ticketmaster itself only takes about 5%-7% of gross ticket value inclusive of fees with contracts determined by a competitive RFP process. Ticketmaster’s market share in fact appears to have declined ~10 points since the time of the merger due to new entrants such as SeatGeek. We do not believe the DOJ has cited evidence in their lawsuit that LYV has violated behavioral guardrails instated in 2019 after a separate comprehensive review of the merger. Finally, we note that Live Nation’s largest promotion competitor, AEG, also purchased a leading ticketing vendor in 2019 (AXS), which appears at odds with the views expressed in the lawsuit. We are optimistic that a return to traditional antitrust frameworks under the new Administration will create an opportunity to discuss solutions that mitigate regulator concerns about the industry without requiring the divestiture of Ticketmaster.

Siemens Energy

We established a new position in Siemens Energy late in Q3. Siemens Energy is a manufacturer of gas turbines, electrical grid equipment, and wind turbines. Spun out from Siemens AG in 2020, Siemens Energy’s wind business has accumulated total operating losses of nearly €7 billion from 2022 to 2024 due to component failures and poorly negotiated commercial contracts. We believe these conditions led to a severely depressed stock price despite favorable fundamentals in the company’s other business segments. Our research indicates that the wind issues were adequately provisioned for, and that risk management has significantly improved.

As we see it, the key attractions of the investment case are the resurging gas turbine business and the secular growth in grid products. The growth in renewable energy generation, EV charging, and data centers have major implications for Siemens’ products. First, renewables

run at only 20-30% capacity utilizations and given their large land requirements, are often located far from large demand centers. This means we need to connect 3-4x the amount of generation over longer distances when compared to traditional dispatchable generation like coal, nuclear or gas. Second, the electrification of transport as well as demand from data centers is leading to growth in overall peak power demand. Regardless of how much renewable generation the world adds, growth in peak power demand necessitates growth in dispatchable generation for the time periods when renewables are not available. We believe these two trends have yielded a step-function increase in the demand for grid equipment and gas turbines, two of Siemens' core businesses. Supply shortages and extended lead times have resulted in a favorable pricing environment after a decade of anemic growth. Siemens Energy has built a €123 billion backlog, representing 3.6x annual revenue, which provides good visibility into outsized organic revenue and earnings growth. We estimate that Siemens Energy's earnings power will exceed €5 per share by the end of the decade.

Equity Position Update

PG&E Corporation

We are devastated by the recent events in Southern California. Several of our family members and team members call Los Angeles home, and our hearts are with all impacted by the fires.

While PG&E does not operate in this region, there is press speculation that one of the fires, Eaton, may have been related to transmission equipment owned by SoCal Edison (SCE), another investor-owned utility (parent company Edison International.) Edison has stated publicly that they do not believe their equipment was involved. The investigation is ongoing, and we believe it is premature to make conclusions about the origin of the fire.

If the Eaton fire ignition was related to SCE equipment, the California legal standard of "inverse condemnation" exposes SCE to resultant property damage liabilities. After PG&E's bankruptcy in 2019, California passed a bill called AB1054 which protects the state's investor-owned utilities (Edison, PG&E and Sempra) from these liabilities as long as they

adhere to a rigorous safety standard. This includes a comprehensive wildfire mitigation plan approved annually by the government and a commitment to spend billions to harden the grid; for example, PG&E is spending a whopping \$18 billion on wildfire mitigation from 2023-2025. In exchange, AB1054 includes several protections, such as a legal prudency standard that entitles the utility to cost recovery via multiple avenues in the event of a catastrophic fire and a \$21 billion insurance fund to cover incurred liabilities. SCE has an active safety certificate and thus should benefit from the protections under AB 1054, just as PG&E would in case of a future fire. Regulator-approved cost recovery is a routine proceeding for utilities in areas prone to severe climate events (hurricanes, tornadoes, earthquakes, etc.) in acknowledgement of the fact that it is not feasible to remove all risk from overhead grid infrastructure. PCG has been the preeminent advocate in California for undergrounding, which we believe is the only way to permanently eliminate wildfire risk from grid assets.

PG&E is now trading slightly below 10x 2026 earnings, versus regulated utility peers trading above 15x. We note that PG&E is trading at roughly the same multiple as Edison despite zero direct financial liabilities from the events in Los Angeles. We believe investors are overly discounting the financial and legal protections provided by AB 1054. We expect more clarity from the state over the coming weeks and months.

Corporate Credit Update

Third Point's corporate credit book generated a 4.2% gross return (3.8% net) during the Fourth Quarter, contributing ~60 basis points to net performance. That result put 2024 performance at +13.0% gross (11.3% net), approximately +480 basis points ahead of the ICE BofA US High Yield Index. Our corporate credit portfolio significantly outperformed in the Fourth Quarter thanks to a (regrettably, in hindsight) small position in the GSE preferred securities, as well as strong performance in our broadband credits.

While our corporate credit book was up in December, the hawkish Federal Open Market Committee commentary that accompanied the rate cut pressured risk assets and resulted in both increased rates and spreads. Rates enjoyed a relief rally on the December CPI print, but

10-year Treasury yields remain above 4.5%, more than 300 basis points higher than the 2020/21 average. As we have mentioned before, we believe that the high yield Class of 2020/21, which saw record volumes of leverage buyouts financed at high valuations and record low yields, will face significant credit stress as their debt matures over the next few years. While defaults have been very low, we are already seeing increased levels of debt exchanges and anticipate that this pace will increase, especially if interest rates remain near current levels, let alone move higher.

We believe Liability Management Exercises, (LME's) have become the most engaging distressed credit opportunities. LME's involve an out of court exchange offer where a sponsor is seeking to reduce the principal amount of debt, reduce interest expense and/or extend maturities. While the goal (extend the runway for the equity, perhaps forestall a large write down) and rules of these exchanges (generally the "waterfall" of creditor priority is attacked through covenant loopholes) are different from an in-court bankruptcy, the investment opportunities are similar. On the front end, active participation in an LME process can create new securities at very attractive levels. On the back end, there is sometimes a very attractive "post-LME" technical where creditors are eager to exit following the process for several reasons. On a fundamental level, post-LME credits often have a robust capital structure, longer liquidity runways and better covenant packages.

That said, not all LME's are true fixes. While it's relatively rare to see a company (outside those in secular decline) undergo bankruptcy twice (the ignominious "Chapter 22"), it's interesting to note that about 40% of credits that undergo out-of-court exchanges ultimately file for bankruptcy anyway. As a result, credit selection remains important.

At present we invested in five situations that have undergone LME's in the last year. We are invested in another eight that we anticipate will undergo LMEs in the next six months. Overall, recent, current and prospective LME situations represent almost half of our current corporate credit portfolio, or over \$700 million. We expect this area to be an important source of alpha in the coming months.

Structured Credit Update

In 2024, three major themes drove returns and we expect these same trends will create interesting opportunities over the next 18 months. Although the new Administration is still formulating its policies, deregulation is expected to be a key element, which we believe would be a positive tailwind for structured credit given the high regulatory capital charges for banks since 2009. Given structured credit spreads are wider to every other asset class, we anticipate more spread compression in 2025. These three themes are:

Rates and Mortgages: Despite the volatility in rates and changing expectations of the Fed's rate cut plan, 5-year Treasuries rose 50 basis points in 2024. We anticipate that rates will remain range-bound, creating a high base rate for structured credit assets. We called five unrated reperforming mortgage deals this year, monetizing approximately 25% and refinancing into rated securitizations where we sold AAAs through single A. We now own rated tranches with increased liquidity and potential upside for spread duration as insurance companies look for rated assets. Residential mortgages continue to be a source of strength for the consumer, with borrowers still holding, on average, 50% equity in their homes. We are starting to see the first signs of a slowdown in subprime, viewed through consumer unsecured and subprime auto loans and have reduced exposure in those sectors.

Securities vs. Loans: While headlines in structured credit this year were dominated by synthetic risk transfer (SRT) and portfolio sales, we focused on opportunistic trades like auto ABS and non-qualified mortgage BBs. We were very active in both loan purchases and SRT about three years ago when gross IRR expectations were in the mid- to high-teens. Today, we feel that market is crowded with advertised yields in the teens, but actual returns below 10%. In contrast, we focused on generating alpha through secondary trading. As more fixed income moves to both insurance and private credit funds, we have been able to source, in our view, compelling risk-adjusted returns through active trading and providing liquidity when money managers need it. Insurance companies have spurred a technical bid up of mortgage loans this year, but we are finding 100-200 basis points of wider spread in the BB tranches with credit support.

Credit Spread Tightening: Many investors have asked in recent weeks about credit spread widening and what is interesting these days. While the investment grade corporate index is close to all time highs in the mid-40s basis points, we believe structured credit still has room to rally. As an example, residential mortgage-backed AAAs are between a 115-135 basis point spread compared to the historical highs in 2021 in the 60s.

Looking to 2025, bank M&A activity is expected to increase, which will likely result in more banks selling consumer and mortgage loan portfolios. We will be opportunistic on smaller portfolios where we expect to get paid a high-single digits unlevered yield on the loans with the ability to create mid-teens returns on our retained exposure.

Acquisition of Birch Grove

In late December, we announced our intention to acquire 100% of AS Birch Grove, a diversified alternative credit fund manager with approximately \$8 billion of AUM. The transaction is expected to close in mid-February. Birch Grove was founded by President Andrew Fink and CEO and CIO Jonathan Berger — who will become Third Point's Co-Head of Credit alongside Partner Ian Wallace. Ian, Steve Schatzman, Shalini Sriram, and Chris Taylor will maintain their existing roles and work with Jonathan and me to develop new credit products reflecting the firms' complementary strategies.

Birch Grove's funds include a well-established CLO business with over \$5 billion in AUM, a private credit offering that complements our current skillset, a credit solutions product, and several other strategies. While Birch Grove and Third Point funds will continue to be separately managed by their long-tenured teams, we are excited about the capabilities the Birch Grove acquisition will add to the credit efforts in the main funds and to our dedicated structured, corporate, and private credit offerings.

We anticipate significant synergies between Third Point's newly created private credit effort and Birch Grove. We expect that the CLO business, focused on tradeable term loans, will help

both our structured and corporate credit efforts by providing a window into over 400 leveraged loans that can serve as an early warning system for potential stressed and distressed opportunities. Our structured credit effort actively trades CLO liabilities and Birch Grove will continue to be an active issuer of those liabilities, which we believe can provide helpful perspectives on supply and pricing of those securities. These are just a few of the synergies we expect to find as the businesses begin closer collaboration in an environment where clients are looking for innovative solutions across the credit spectrum. Our Business Development team will be happy to share opportunities in new credit products as they become available in the coming months.

Business Update

Adiel Gopas joined Third Point Ventures, focusing on investments in Israel. Before joining Third Point Ventures, Mr. Gopas was Head of Corporate Development and Strategy at OpenWeb. Previously, Mr. Gopas was part of the Investment Banking and Venture Capital investment efforts at Poalim Equity, the investment arm of Bank Hapoalim, Israel's largest bank. Earlier in his career, he oversaw the Bank's Fund of Funds portfolio of over 25 leading venture capital firms and played an instrumental role in establishing and sponsoring emerging VC managers. Mr. Gopas holds a B.S. in Economics from Reichman University.

Sincerely,



Daniel S. Loeb

CEO

The information contained herein is being provided to the investors in Third Point Investors Limited (the "Company"), a feeder fund listed on the London Stock Exchange that invests substantially all of its assets in Third Point Offshore Fund, Ltd ("Third Point Offshore"). Third Point Offshore is managed by Third Point LLC ("Third Point" or "Investment Manager"), an SEC-registered investment adviser headquartered in New York. Third Point Offshore is a feeder fund to the Third Point Master Fund LP in a master-feeder structure. Third Point LLC, an SEC registered investment adviser, is the Investment Manager to the Funds.

Unless otherwise specified, all information contained herein relates to the Third Point Master Fund LP inclusive of legacy private investments. P&L and AUM information are presented at the feeder fund level where applicable. Sector and geographic categories are determined by Third Point in its sole discretion.

Performance results are presented net of management fees, brokerage commissions, administrative expenses, and accrued performance allocation, if any, and include the reinvestment of all dividends, interest, and capital gains. While performance allocations are accrued monthly, they are deducted from investor balances only annually or upon withdrawal. From the inception of Third Point Offshore through December 31, 2019, the fund's historical performance has been calculated using the actual management fees and performance allocations paid by the fund. The actual management fees and performance allocations paid by the fund reflect a blended rate of management fees and performance allocations based on the weighted average of amounts invested in different share classes subject to different management fee and/or performance allocation terms. Such management fee rates have ranged over time from 1% to 2% per annum. The amount of performance allocations applicable to any one investor in the fund will vary materially depending on numerous factors, including without limitation: the specific terms, the date of initial investment, the duration of investment, the date of withdrawal, and market conditions. As such, the net performance shown for Third Point Offshore from inception through December 31, 2019 is not an estimate of any specific investor's actual performance. For the period beginning January 1, 2020, the fund's historical performance shows indicative performance for a new issues eligible investor in the highest management fee (2% per annum) and performance allocation (20%) class of the fund, who has participated in all side pocket private investments (as applicable) from March 1, 2021 onward. The inception date for Third Point Offshore Fund Ltd is December 1, 1996. All performance results are estimates and past performance is not necessarily indicative of future results.

The net P&L figures are included because of the SEC's new marketing rule and guidance. Third Point does not believe that this metric accurately reflects net P&L for the referenced sub-portfolio group of investments as explained more fully below. Specifically, net P&L returns reflect the allocation of the highest management fee (2% per annum), in addition to leverage factor multiple, if applicable, and incentive allocation rate (20%), and an assumed operating expense ratio (0.3%), to the aggregate underlying positions in the referenced sub-portfolio group's gross P&L. The management fees and operating expenses are allocated for the period proportionately based on the average gross exposures of the aggregate underlying positions of the referenced sub-portfolio group. The implied incentive allocation is based on the deduction of the management fee and expense ratio from Third Point Offshore fund level gross P&L attribution for the period. The incentive allocation is accrued for each period to only those positions within the referenced sub-portfolio group with i) positive P&L and ii) if during the current MTD period there is an incentive allocation. In MTD periods where there is a reversal of previously accrued incentive allocation, the impact of the reversal will be based on the previous month's YTD accrued incentive allocation. The assumed operating expense ratio noted herein is applied uniformly across all underlying positions in the referenced sub-portfolio group given the inherent difficulty in determining and allocating the expenses on a sub-portfolio group basis. If expenses were to be allocated on a sub-portfolio group basis, the net P&L would likely be different for each referenced investment or sub-portfolio group, as applicable.

While the performances of the fund has been compared here with the performance of well-known and widely recognized indices, the indices have not been selected to represent an appropriate benchmark for the fund whose holdings, performance and volatility may differ significantly from the securities that comprise the indices. Past performance is not necessarily indicative of future results. All information provided herein is for informational purposes only and should not be deemed as a recommendation to buy or sell securities. All investments involve risk including the loss of principal. This transmission is confidential and may not be redistributed without the express written consent of Third Point LLC and does not constitute an offer to sell or the solicitation of an offer to purchase any security or investment product. Any such offer or solicitation may only be made by means of delivery of an approved confidential offering memorandum.

Specific companies or securities shown in this presentation are meant to demonstrate Third Point's investment style and the types of industries and instruments in which we invest and are not selected based on past performance. The analyses and conclusions of Third Point contained in this presentation include certain statements, assumptions, estimates and projections that reflect various assumptions by Third Point concerning anticipated results that are inherently subject to significant economic, competitive, and other uncertainties and

contingencies and have been included solely for illustrative purposes. No representations express or implied, are made as to the accuracy or completeness of such statements, assumptions, estimates or projections or with respect to any other materials herein. Third Point may buy, sell, cover, or otherwise change the nature, form, or amount of its investments, including any investments identified in this letter, without further notice and in Third Point's sole discretion and for any reason. Third Point hereby disclaims any duty to update any information in this letter.

This letter may include performance and other position information relating to once activist positions that are no longer active but for which there remain residual holdings managed in a non-engaged manner. Such holdings may continue to be categorized as activist during such holding period for portfolio management, risk management and investor reporting purposes, among other things.

Information provided herein, or otherwise provided with respect to a potential investment in the Funds, may constitute non-public information regarding Third Point Investors Limited, a feeder fund listed on the London Stock Exchange, and accordingly dealing or trading in the shares of the listed instrument on the basis of such information may violate securities laws in the United Kingdom, United States and elsewhere.

New Series (Excludes Legacy Private Investments)³

	Q4 ¹	ANNUALIZED NET RETURN ²
TP OFFSHORE FUND, LTD.	7.9%	13.2%
CS HF EVENT-DRIVEN INDEX	5.4%	7.0%
S&P 500 INDEX (TR)	2.4%	9.6%
MSCI WORLD INDEX (TR)	-0.1%	7.9%

¹Through December 31, 2024.

²Annualized Return from inception (December 1996 for TP Offshore and quoted indices).

³“New Series (Excludes Legacy Private Investments)” uses the existing series track record from inception through May 31, 2023. Returns from June 1, 2023 and onward exclude legacy private investments.